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Public Service Commission, South Carolina

Re: Docket 2019-290-WS, Public meeting with Blue Granite Water meeting concerning rate increase request January 27, 2020

As a property owner of 14 High Hill Lane, Lexington, SC for over 30 years, I have had past and continuing concerns about the high water and sewer rates of Carolina Water Service, now Blue Granite Water. I have been concerned in the past, but have not spent time commenting on or fighting the rate increases.

I am not going to bore you with a long list of specific complaints. But most notable was the Blue Granite billing that made me suspicious they do not have or use good internal checks – they billed me in June 2019 for 69,305 gallons water totaling \$531.36. Obviously a mistake was made and when I insisted there had to be a mistake, they checked, and it was corrected, reading was incorrectly recorded. But what worries me is that I had to catch it and complain. I also found out that they do not always read the water meter each month before billing, and sometimes use a monthly estimate based on past use. That practice can cause problems.

Past and continuing problems at Lands End Community (formerly Watergate Development in Lexington) include excessive smells from water treatment structures approximately 200 feet from our townhouse. This can and probably has affected property values. Years ago, some of us on High Hill Lane had one or more incidents from sewage backing up into the bathtubs.

The rising costs in the past and the proposed increase are the biggest concern right now. Are they justified? The cost of living and interest rates have remained low for an extended period of time. This rate increase request seems excessive.

I took a few minutes to look up what others pay for water and sewer in the vicinity of Lexington, SC. I have always wondered if we are being singled out and shackled with higher rates than most others.

The listing of SC Rural Infrastructure Authority has a table that shows 2019 rates for all municipal residential customers. For water and sewer, the charge per 5000 gallons for Lexington, SC was \$29.41 and \$35.94, respectively or \$65.35/month at that usage rate. In the same table, Irmo had a monthly rate of \$103.89 and Columbia had \$55.17. In this listing, West Columbia was shown to have rates of \$15.85 for water and \$15.75 for sewer for 5000 gallons, or \$31.60 monthly. In another internet link, West Columbia bimonthly (every other month) 2019-2020 rates are higher outside of city limits at water \$68 and sewer \$56 for first 6000 gallons minimum use levels, resulting in charges of \$62 a month. West Columbia city rates were only \$28 per month (\$56 bimonthly) total for the 6000 gallon use rates.

One article in The State Newspaper article by Isabella Cueto in November 2019 said the average rate increase proposed by Blue Granite was up to 45% for water and 56% for sewer, suggesting this would mean the average water bill would increase by \$25-35 per month and sewer by \$26-36 per month. Applying these figures and some math, it suggests that the average current water and sewer rates are roughly \$55-\$77, and \$46-64, respectively. This current range for water and sewer calculated suggests monthly rates are about \$100 to \$140 for Blue Granite Midlands customers. With the increase, the estimated range for average water and sewer users would be about \$150 to \$210 per month.

For Lands End at 14 High Hill Lane, the current rates for water at 5000 gallons per month would be \$37.75 and sewer \$65.77 for a total \$103.52. Recently the monthly water and sewer charges for

daughter and grandson living in townhouse have been ranging from \$150-250, and this is unsettling for planning a budget, and then when the rates jump by a percentage of roughly 50%, that suggests it might range from \$225-\$375 under the proposed increase. Water saving toilets, no obvious leaks. Could it be the meters, they are approaching 50 years old. These costs are just scary. And other Lands End community members have been complaining about high water and sewer bills.

As suspected, the Blue Granite Water rates are already higher than most nearby cities and rural areas in South Carolina (<https://ria.sc.gov/wp-content/uploads/2019/10/2019-Water-and-Sewer-Rates.pdf>).

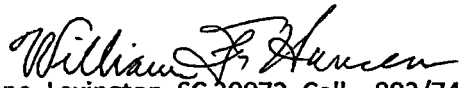
Basically, without options, the water and sewer services seem to have a monopoly. What choice do we have but to pay whatever is approved?

As a hydrologist, I had concerns over the years when I heard news reporting water quality violations by Carolina Water Service (Blue Granite). But I expected that SC DHEC and the company would probably work out the kinks. But my recent internet searches revealed the attempt to transfer Blue Granite Water mistakes and fines to rate payers. How long has this gone on? Costs associated with Clean Water Act violations should not be borne by the users. It is not the fault of users that design and/or management of operations are insufficient or perhaps even derelict (negligent), which eventually triggers fines. And the fines tend to get higher when a company has repeated violations. If designs are at fault, this is why companies should hire or use licensed and bonded engineers and insurance companies. I do not know the Blue Granite Water system issues sufficiently to know why or when they have had unintended releases of wastewater into the Saluda River or other locations, but I do know that elsewhere in most instances, this failure is from under design or poor management, and lack of emergency planning or design of containment systems. If they are self-insured or unbonded, that is a business decision that they intend to take on the risk of mishap or failure? Essentially allowing a company to transfer violation fines to its users is not the intent of a fine. Fines are intended to be a deterrent to poor design, management and practices, and should come out of profits, and be addressed by the investors and managers. If fines can be transferred to water and sewer users, what deterrent is that to the company?

My request would be that based on when a company supplies a service, they should keep their costs and service within the bounds of reason. When water and sewer get a windfall, such as the millions in funds to Blue Granite Water from the City of Lexington, SC, it might be more appropriate to use them to cover system updates and repairs, or adjust rates downward? But no, the funds from Lexington were reportedly used in self-serving attempts to reward investors. And many of the investors may include those working for, or managing the company with rewards in stocks or options, dividends, etc. Is this really proper and ethical to take operational type funds for this purpose, especially if water and sewer rate payers had some contributions to these facilities? And if the water uses seem abnormally high, it would be good if they would provide some service help to assess what is wrong.

So please deny this request and recommend Blue Granite Water tell the investors to tighten their belts like most of the rest of us with meager cost of living increases. They need to function within the normal range of others that supply this service. Since they appear to be at or over the upper end of the water and sewer rate range already for this area and as well South Carolina, no increase is suggested. I would be glad to discuss this further if needed with PSC or BGW. Thank you for the chance to comment.

William F. Hansen



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